

DEAR AND CHEAP
MONEY

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—which the history of financial and commercial experience has disclosed—than procedures and consequences which are competent of exact measurement and the assignment of mathematical relationships. They are entirely valid and reasonably predictable on the whole, but on any particular occasion they may be obscured and masked by the introduction of causes peculiar to the occasion itself.

NOTE.

The Bank Rate, it is seen, does not in itself stand in a direct causal relation with the prices of securities as the sole determining factor in their movements. Rather are they both the effects (though the *connected* effects) of a primary cause—the apprehension and sense of instability resulting from the diminution of the country's resources and commercial soundness, or the buoyancy and confidence attendant on the financial strength of the nation and its expansive trade.